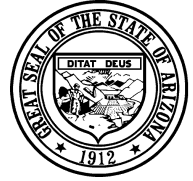


Arizona Department of Water Resources  
**GROUNDWATER USERS ADVISORY COUNCIL**  
Tucson Active Management Area  
Kenneth Seasholes, Area Director



DEE T. O'NEILL  
Chair

DAVID MODEER  
Vice-Chair

JOHN MAWHINNEY

JON POST

CHUCK SWEET

**Minutes**  
**March 30, 2005**

**Members Present:**

David Modeer, Vice-Chair  
John Mawhinney  
Jon Post  
Chuck Sweet

**Staff Present:**

Kenneth Seasholes, Area Director  
Mary Bauer  
Christina Bickelmann  
John Bodenchuk  
Laura Grignano  
Diane Kusel  
Jeff Tannler  
Virginia Welford  
Dawne Wilson

**Others:**

Tom Arnold, Tucson Water  
Rosalind Bank, PhD Candidate, Arid Lands, UA  
Ryan Bradshaw, Water CASA  
Janet Lea Carr, SAWUA  
Dave Crockett, FWID  
Justin Ferris, WRRRC  
Rebecca Gallup, Water CASA  
Eric Holler, USBR  
Tina Lee, Ward 2 Council Office  
Val Little, Water CASA  
Lori Lustig, SAHBA  
Vicki Richards, Pima County Cooperative Extension  
David Ruiz, Oro Valley Water Utility  
Dennis Rule, Tucson Water  
Robin Stinnett, ADWR (Phoenix)  
Warren Tenney, Metro Water District  
Kristen Zimmerman, PAG

**1. Call to Order**

Vice-Chair David Modeer called the meeting to order at 9:05 a.m. Introductions were made.

**2. Approval of Minutes**

John Mawhinney made a motion to approve the minutes of January 31, 2005. Chuck Sweet seconded the motion. The minutes were unanimously approved.

### **3. Arizona Water Settlement Act: State Legislative Issues**

Kenneth Seasholes announced that Greg Houtz, Attorney for the Arizona Department of Water Resources (ADWR), planned to report on the Arizona Water Settlement Act legislative issues via conference call. Before Mr. Houtz called in, Mr. Seasholes reviewed the well impact analysis concept and how it relates to the Southern Arizona Water Rights Settlement Act (SAWRSA) portion of the settlement. Currently, if a new non-exempt well is proposed, the applicant is required to model the projected drawdown of the proposed well to determine if existing wells might be impacted over time. If an existing well falls within the 10 foot/five year drawdown radius of the proposed well, the impact needs to be mitigated or the proposed well relocated or downsized. This concept is embedded in the SAWRSA protection program because the San Xavier District boundary can potentially be impacted by wells that are outside of the District's boundary.

At this point the presentation was turned over to Greg Houtz. He reported that Congress recently enacted and the President signed Public Law 108451, also known as the Arizona Water Settlement Act. This is the largest settlement of its kind in the history of Congress. It is divided into four titles. The first title settles the Central Arizona Water Conservation District's (CAWCD) CAP construction repayment to the Secretary of the Interior (SOI). The second title deals with the Gila River Indian Community settlement. The third title contains amendments to SAWRSA, and the fourth title concerns future settlement negotiations for primarily the Apache Tribes.

In negotiating the repayment for the CAP construction (Title 1), the SOI received a block of water that was purchased from non-Indian agricultural interests. The amount of water is approximately 290,000 acre-feet. 197,000 acre-feet belongs to the SOI for Indian settlements, the remaining will be held in trust by the Director of ADWR to be reallocated to Municipal and Industrial (M&I) entities after 2010. All the money paid for the CAP will be used in Arizona.

The Gila settlement (Title 2) sets up a water budget of 653,500 acre-feet. The SAWRSA amendments (Title 3) create opportunities for the Tohono O'odham (TON) Nation and the San Xavier District to utilize the settlement water, including expanded leasing authority. Under the first three titles, negotiations were made that protect tribal water rights. Enacting state legislation was one part of these negotiations.

Mr. Houtz referred the audience to a handout, which was copied from Public Law 108451 that makes reference to the State of Arizona law. The law directs the SOI and the state to enter into a firming program to make low priority CAP water a higher priority and more valuable to Indian tribes. The SOI will be responsible for firming all water for the TON and an additional 8,725 acre-feet for future settlements. The state will firm 15,000 acre-feet for the Gila settlement. The SOI will obtain assistance (\$3 million in money or services) from ADWR and the Arizona Water Banking Authority (AWBA)

in firming the water. The state legislation would authorize the firming program to make the funds available. It will also set up a study commission to see if there is any further legislation needed in terms of how the state will pay for firming the water in the future.

The Gila settlement provisions have an enforceability date, which include a list of actions that are required to be taken before the bill is enforceable and the settlement finalized. Under this program the state will establish a replenishment bank of 15,000 acre-feet, which will be delivered in increments of 1,000 acre-feet/year for 15 years. If a replenishment obligation is incurred because of water usage by new M&I water interests, it will be taken from the 15,000 acre-feet bank. If there is a need for further replenishment, it can be paid for by state appropriation or by diverting the pump tax that currently goes to the AWBA.

The state legislation also establishes the Upper Gila River Watershed Maintenance Program. It protects the negotiated water budget item for the Gila River and grandfathers existing water usage pursuant to other settlement provisions, and state law would prohibit any new reservoirs in the maintenance area. No new irrigation will be allowed in impact zones, which are mapped and defined.

For the SAWRSA amendments to become final, the state needs to enact legislation that qualifies the TON to earn long-term storage credits under an ASARCO agreement; implement the San Xavier groundwater protection program; carry out the firming agreement between SOI and ADWR; and confirm the jurisdiction of the state adjudication court over the settlement agreement.

According to the federal legislation, the enforceability date for the Arizona Water Settlement Act is December 31, 2007.

Mr. Houtz alerted the GUAC on a couple of issues that the San Xavier District may be bringing to the table in the future. The District Allottes would, outside of the settlement, like to see additional protection for their groundwater levels. They may also be seeking the same status for the reservation that municipal water providers and irrigation districts currently have for locating recharge recovery wells outside the area of impact.

#### **4. Evaluation of M & I Water Conservation Measures through Actual Water Savings and Cost/Benefit Analysis (EcoBA)**

Val Little, Director of Water CASA, gave an update on the progress of EcoBA, which is one of the projects the GUAC decided to support with Conservation and Augmentation funds. In addition to ADWR, funds were also provided by the Bureau of Reclamation, Tucson Water, and the University of Arizona, Technology and Research Initiative Fund.

EcoBA is a response to a need for comprehensive and comparative evaluation of actual water conservation programs. The project goal is to provide water conservation decision-makers with a thorough analysis of conservation measures that have been, or are currently being implemented.

Ms. Little explained that actual water savings for a given measure is almost impossible to find and that after-the-fact assessments are rarely done. Quantification of water savings, costs, etc., if done at all, is typically just an estimate before the fact. Hopefully by analyzing data and project costs actual water savings can be determined. It is important the programs that will be implemented from this study be considered in the same quantifiable manner as any other kind of infrastructure program or capital improvement program.

The study is in its third year with a final product expected in December 2005. Currently there are 37 utilities from 11 states participating, with a total of 49 programs being analyzed.

There will be an individual utility narrative for every case studied. A detailed overview of each utility will be conducted along with the demographics of the service areas. Whatever the measure, e.g., a toilet rebate program, the study will compare savings from two years prior and two years after the measure.

Additionally, comparisons will be made within a measure. For example, all the showerhead programs that are studied will be compared within that particular measure to arrive at a cost per acre-foot saved. Between measures, the range of costs will be compared so the variations can be reviewed.

EcoBA will be useful for utilities to decide what conservation measures should be done first; it will enable them to make informed changes, as well as choose the most cost-effective measure to implement next. It will also form a rationale for regulatory agencies.

At the end of the project an interactive calculator will be developed and made available on Water CASA's web site. This will enable the public to privately put in numbers and evaluate their programs and compare the consistency with the EcoBA cases.

It was learned through the study that better water consumption records should be kept, program tracking should be improved, and program expenditures should be recorded and closely monitored. Another observation made is that in many instances the conservation person or program is not well integrated into the water management team or utility. Conservation programs need to be looked at in the same rigorous way as other water management decisions.

Mr. Mawhinney asked if Water CASA integrated information from the Western Water Advocates study into ECoBA. Ms. Little responded that their evaluation was not done with the same methodology to make good use of the information.

Mr. Mawhinney also asked if it would be possible for M&I users to yield the same conservation results that ADWR requires once the ECoBA study is completed.

Mr. Seasholes responded that perspectives have been different between ADWR and water providers about where the burden should fall with respect to the Gallons Per Capita Per Day (GPCD) program. ADWR is currently in a position to consider different approaches

and the information provided from the ECoBA study should benefit ADWR's regulatory programs.

## **5. ADWR Water Management Division: Initiatives and Updates**

Mark Frank, Acting Assistant Director for ADWR's Water Management Division, provided an update on the water management initiatives. During the last couple of years water management developed a program priority list, which was comprised of entirely new projects. It was then realized, due to cutbacks and limited staffing resources, existing programs were not being adequately addressed. Water management, therefore, revised its priority list.

It has been decided there are three existing programs and initiatives that should be ADWR's priority: 1) well rules, 2) assured water supply (AWS), and 3) municipal GPCD.

### **Well Rules**

ADWR requires a well spacing analysis to ensure existing wells aren't impacted by new wells. Currently, if a water provider intends to expand its service area it must demonstrate that existing wells will not be impacted. This has become increasingly difficult due to the expanding number of exempt wells.

Before making the current temporary well rules permanent, ADWR has formed a stakeholders group to address issues such as well spacing. Stakeholders would like to be able to resolve impact issues by either compensating the well owner or offering a free hookup to the municipal system. The stakeholders are currently identifying all pertinent issues.

Other issues that have been raised and will be discussed later in the process are the drawdown impact criteria, and the impact on riparian areas from new wells.

### **Assured Water Supply Program**

One of the ways to bring more money into ADWR would be to increase fees for AWS certificates. Currently the fees go to the general fund. A legislative proposal has been submitted, which would allow ADWR to keep its AWS related fees to support the program.

The development community has been quite receptive to the fee increase due to an amendment that has been placed in the legislation that would streamline and, therefore, shorten the AWS application review process. Currently the timeframe is 210 days. An advisory group has been set up to identify ways to make the process quicker. The report is due by December 2005. ADWR is open to revising the AWS rules for streamlining the process provided there would be no negative water management implications.

### **Municipal GPCD Program**

Due to the lawsuit between Arizona Water Company and ADWR, there hasn't been much activity in terms of the municipal GPCD program. It was agreed that once the lawsuit

was settled ADWR would look at how the program could be improved. Preliminary efforts have begun in both Tucson and Phoenix.

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Mr. Frank ended his discussion by stating the ADWR Phoenix office will be moving. The new office will be located at Central Avenue and Osborne in the Meridian Bank building.

## **6. Area Director's Report**

### **i. IPAG Update**

There have been two IPAG meetings since the last GUAC meeting. The assumptions for the Arizona Water Banking Authority (AWBA) 2005 Plan of Operation have changed radically since its adoption because of recent winter rains. As a result there has been a reduction of demand, in particular for the Groundwater Savings Facilities (GSFs). Some of the direct recharge facilities have also been negatively affected by flooding and source water turbidity, resulting in little storage early this year.

IPAG's most recent recommendation to the AWBA reiterated the storage priorities for water bank activity, including spending all withdrawal fees and 4-cent ad valorem funds. IPAG has set a general priority order for the Tucson facilities, and all facilities will be filled to the extent possible. It is likely Arizona will not get its entire full 2.8 MAF allocation in 2005 due to the inability to store or use it.

IPAG recognizes that developing the AWBA storage plan is subject to large variations in supply and storage because the AWBA is last in line and there is a potential for customers to change orders. Because of this, IPAG believes it is appropriate for the AWBA Board to set general policy guidance associated with storage activities.

Additional interstate water will be stored in the Tucson AMA this year. There is a lot of interest and activity relative to the amended interstate agreement with Nevada. IPAG supports ongoing efforts to protect the \$100 million, including potential repayment of expenditures by beneficiaries. IPAG is concerned the money will be swept by the legislature without consideration given to the unmet infrastructure needs in the Tucson AMA and the rest of the three-county CAP service area.

Tucson's recommendations to the AWBA were well received.

### **ii. Well Rules Update**

Mark Frank covered this item.

### **iii. Other Updates**

At the request of the GUAC, on March 25, 2005 a letter was sent to Governor Napolitano reinforcing the recommendations outlined in the issue summaries that were provided at the water listening session held on December 14, 2004.

The Governor is currently negotiating the budget with the legislature, and she is recommending that ADWR be funded at a substantial level.

Mr. Mawhinney suggested that a letter be sent on behalf of the GUAC to the legislature supporting the Governor's proposed funding for ADWR. Mr. Modeer made a motion for such a letter to be sent. Jon Post seconded the motion and it passed unanimously. Chuck Sweet suggested including the issue summaries document with the letter.

Lastly, Mr. Seasholes referred the GUAC to Christina Bickelmann's handout that outlines ADWR's various non-regulatory, conservation activities.

**7. Public Comment**

Mr. Mawhinney asked Mr. Modeer if at a future GUAC meeting Tucson Water would be willing to address the issue of the high percentage of lost and unaccounted for water that was reported in the Western Water Advocates report. Mr. Modeer said they'd be willing to give an update but mentioned that one needs to be cautious when comparing utilities because of the differences in accounting methods. Tucson Water is currently undergoing a significant water meter replacement program, which will address one of the contributing factors.

**8. Date and Agenda for Next Meeting**

It was tentatively decided the next meeting would be scheduled the week of May 16, 2005. A notice will be sent once the date has been firmed.

**9. Adjournment**

The meeting was adjourned at 11:10 a.m.